GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2619
ANSWERED ON:10.05.2016
Recovery of Fines by NPPA
Udhayakumar Shri M.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the National Pharmaceutical Pricing Authority (NPPA) has till date recovered only 7.8% of fines related to overpricing by drug companies with unpaid dues running into more than Rs. 3600 crore;

(b) if so, the details of the unrecovered amount as on date;

(c) whether the recovery of fines is affected due to orders passed by various High Courts and the Supreme Court in cases filed by pharma companies challenging the price fixation order of the National Pharmaceutical Pricing Authority (NPPA);

(d) if so, the details thereof; and

(e) the action taken by the Government to ensure that the fines are collected within specified time limit?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS& FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a) to (e): As on 31.03.2016, the NPPA has recovered Rs 386.07 crores against total demanded amount of Rs 4928.09 crores, which is about 7.83%. The details of unrecovered amount and cases under litigation as on 31.03.2016 are as under:-
Particulars (Rs in Crores)

i) Cases under litigation 3701.21
ii) Recovery cases pending with collector 72.26
iii) Cases under BIFR / Official Liquidator 5.41
iv) Balance 763.14

Action for recovery of the overcharged amount is taken as per the provisions of DPCO, 1995 and DPCO, 2013. However, in some cases, the demands raised for overcharging have been challenged in courts. NPPA is actively pursuing these court cases and where the demand raised by NPPA has not been challenged in the court and the concerned company does not deposit the amount of demand, the matter is referred to the respective Collector for recovery of the overcharged amount as arrears of land revenue under Essential Commodities Act, 1955. The cases referred to collectors are also followed up on regular basis by issuing reminders.

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